

UNCLASSIFIED

COCOM [REDACTED]

STAT

1. The Coordinating Committee for Multilateral Export Controls (COCOM) was established in January 1950 as NATO's economic counterpart. Composed of all the NATO signatories (except Iceland and Spain) plus Japan, COCOM is governed by no formal treaty or charter and has no standing under international law. Instead, COCOM operates as a "gentleman's agreement" among its member-states to coordinate their national export controls policies vis-a-vis proscribed destinations (the USSR, the PRC and the countries of Eastern Europe). [REDACTED]

STAT

2. COCOM administers several embargo lists that -- together with interpretive notes, administrative principles, special rules and developed practice -- constitute the body of rules by which COCOM operates. These embargo lists are:

- International List I, which covers industrial and commercial items;
- the International Munitions List of controlled military items;
- The Atomic Energy List, which includes sources of fissionable materials, nuclear reactors and their components.

Items on the Munitions and Atomic Energy Lists have clear military applications; generally, there is little disagreement within COCOM on the need to restrict their export. International List I, however, contains dual-use items having both civilian and military applications. Disagreement among COCOM's member-states usually is focused on these items. [REDACTED]

STAT

3. Every three years, COCOM reviews each List for deletions, amendments and additions. These List Reviews enable COCOM to:

- keep its controls current by incorporating scientific and technical advances into each List;
- accommodate its internal debate on the relative emphases given security concerns vs. trade opportunities in each List.

COCOM's strategic criteria for conducting these List Reviews are twofold:

- Soviet capabilities and deficiencies in producing each item on the Lists must be considered.
- The potential military applications of each item on the Lists must be anticipated. [REDACTED]

STAT

UNCLASSIFIED

4. Once the COCOM member-states agree on the Lists' compositions, applications for export licenses from member-states' firms are processed COCOM by comparing the item proposed for export against the items enumerated on the appropriate List. COCOM's system of interpretive notes, administrative principles, special rules and developed practice bears directly on this license review process because it can provide for an exception to the general COCOM embargo of items specified by the Lists. [REDACTED]

STAT

5. The overall trend in COCOM's controls through 1979 has been one of gradually increasing liberalization. This has resulted from several factors, including the:

- increasing Soviet capability to produce items previously subject to COCOM controls;
- desire of many COCOM member-states to exploit the trade opportunities with proscribed destinations which arose during the detente era;
- proliferation of "third-country" (i.e., non-COCOM) sources of supply for many of the items on the COCOM Lists.

In the 1982-83 List Review, the USG is attempting to reverse this liberalizing trend. [REDACTED]

STAT

6. Decision-making in COCOM (in both the List Review and licensing processes) reflects the informal nature of the organization:

- all COCOM decisions are made on the basis of unanimity;
- no COCOM decision is binding (in the sense understood in international law) on its member-states.

The unanimity rule has both positive and negative effects on COCOM's operations:

- where all member-states agree on the extent of COCOM's controls, the rule reinforces COCOM's operational consensus and enhances its effectiveness;
- where the member-states' security and trade interests diverge, the unanimity rule allows any country to exercise a unilateral veto on COCOM's operations and can, therefore, result in grave internal frictions. [REDACTED]

STAT

UNCLASSIFIED

7. Perhaps the greatest limitation on COCOM's effectiveness is its reliance on voluntary reporting by exporters to member-states' governments, and on those governments to submit applications for export licenses to COCOM for its approval. This self-reporting principle allows unscrupulous businessmen or (more rarely) recalcitrant member-states' governments to circumvent COCOM's export restrictions.

STAT